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Lawn&Garden Marketing™

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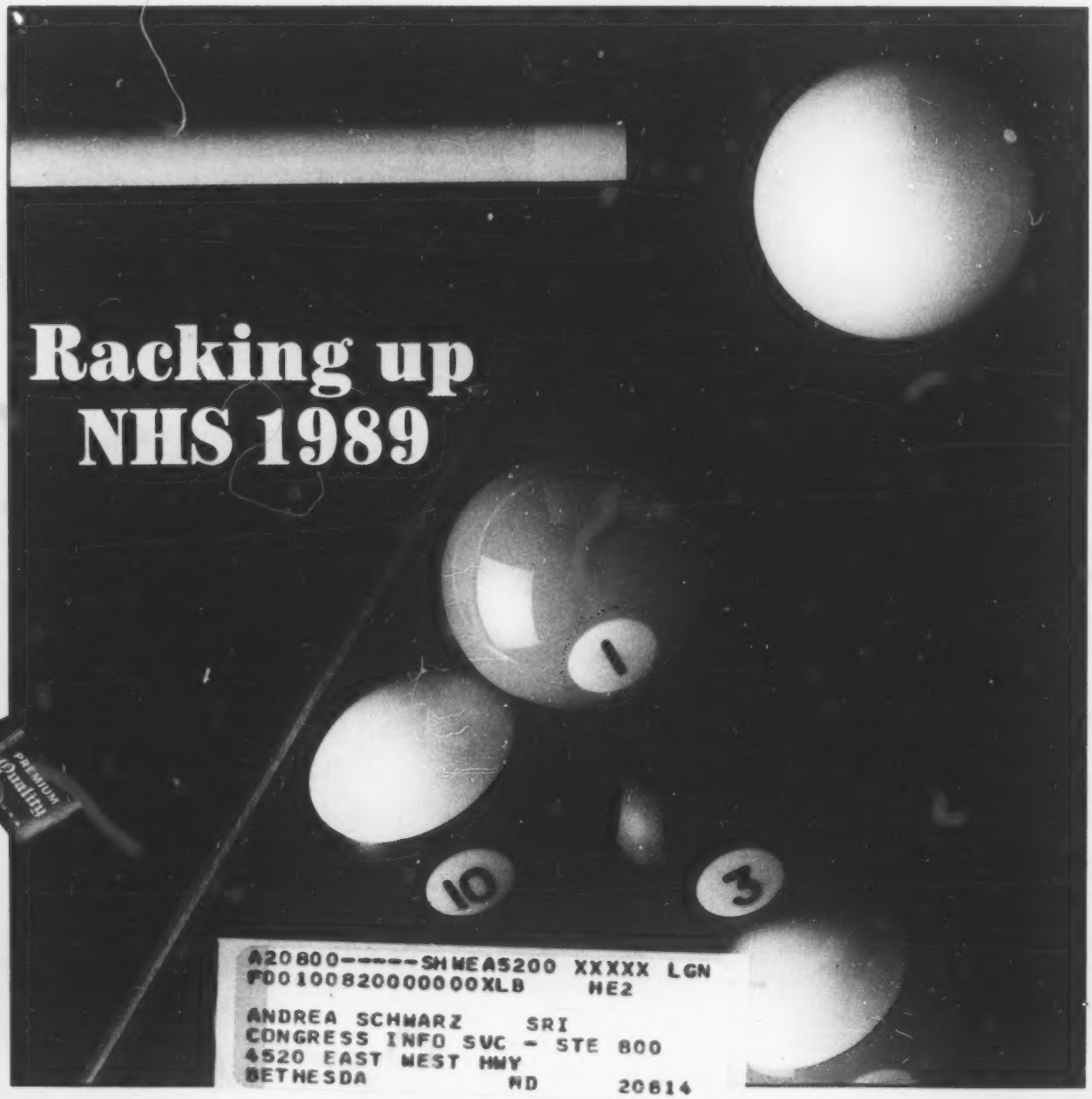
Reports on: Soils and amendments

Drip irrigation • OPE retail sales



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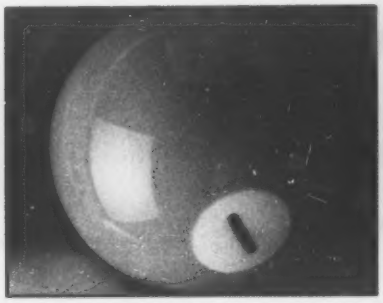

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Thirty-eight percent of Southern homeowners enjoy larger front yards as opposed to backyards, while only 13 percent of Northern homeowners enjoy front yards more than backyards.

Source: Monsanto Co.

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Growth opportunities in soils and amendments

Is it possible to create some pizzazz about peat moss, put some punch into potting soil and generate some pep in perlite sales? These manufacturers think it is.

By Adele I. Rogers, *editorial contributor*

The soils and amendments category has not grown consistently over the last decade. Is it because manufacturers and retailers have neglected to merchandise there products or are consumers simply not buying?

According to a 1987 Kline & Co. survey, bagged soils averaged only a 3.1 percent annual dollar increase (less in units) since 1984; peat, a 2.9 percent increase; vermiculite 1 percent; and perlite saw no growth at all since 1984. In the meantime, 1988 saw a decrease in gardening—10 percent from 1987—according to the latest results of the National Gardening Assn./Gallup survey. Last summer's drought was cited as the main cause for this decline.

All the more reason for some pizzazz, punch and pep. And, all the more reason to reevaluate how soils and amendments should be merchandised and which products offer the most profit per square foot.

New strategies in merchandising, marketing

Many manufacturers are attempting to elevate the category beyond commodity status through attractive packaging, cross-selling and in-store education. There's also an effort to target the younger market, particularly first-time home owners. "This is an area of concentration for us," says Kerry Lee, director of marketing for **Fisons Western Corp.**, Vancouver, British Columbia. "We feel a need not only to educate the consumer on the benefits of our Sunshine brand, but to encourage more involvement in the activity. Even among the well-off, doing one's own gardening is the thing to do."

As sales of soil mixes and conditioners to seniors begin to flatten, it becomes essential to attract a younger generation. This is where education becomes key. Grandma knew what peat moss was used for and learned over the years the benefits of a soilless mix. But do busy, working couples understand?

Retailers, as well as manufacturers, must address these issues if they plan to see growth over the next couple of decades. Drawing more people into the activity and educating current gardeners that growing can be made easier, less time-consuming and more fun is a goal most marketers share. Jane McAlpine, national sales manager of W. Chicago, Ill.-based **Jiffy Products of America,** explains her firm's approach. "Jiffy-Pots, our new compressed Miracle Peat and other related growing systems not only provide a professional approach to gardening, but a modern and very easy and convenient one for today's consumer. These products not only generate consistent repeat purchases, they attract first time consumers into the category. And that's the key."

Four ways to sell more soil and amendments

1. Target the younger market.
2. Educate consumers about the differences between soilless mixes and top soils.
3. Sell quality over price—customers will continue to buy.
4. Merchandise soils and amendments together.

Consumer education is key

Overall, considerably more consumer education is required on soil mixes and amendments. Many gardeners are not aware of soilless vs. soil mixes, when to use peat instead of vermiculite or the differences among the various kinds of peat.

At **Grace Horticultural Products,** Cambridge, Mass., the frustration over the continued weak consumer awareness of the differences between soilless mixes and top soils persists. Grace was the originator of the "peatlite" mix and its line is now under the Peters label. "We want consumers to be successful in growing plants. The only sure way is with a professional, soilless mix," says Tom Kramer, manager of account sales. A typical such mix is comprised of peat moss, vermiculite, bark, perlite, charcoal, nutrients and other ingredients.

"We must make gardeners realize that while they may pay twice as much or more for a quality mix over a heavy bag of soil, it's far less expensive in the long run. A plant is only as good as the soil it's planted in, so why not use what pro growers use?"

This view is shared by many manufacturers of soilless mixes. "Unfortunately, about 80 percent of all potting soils sold is not in the high quality, soilless category," says Sheldon Lewis, vice president sales

continued...

for **Premier Brands Inc.,** New Rochelle, N.Y. "Price is the key reason, along with the misconception that a growing medium that is dark heavy and rich-looking must be good." New packaging that conveys an easy to understand, RTU message accompanied by spot market newspaper and radio ads will help promote the Premier brand this year.

Steve Liffers, national sales manager for **ASB Greenworld,** Somerset, N.J., also is amazed at the slow transition by consumers to soilless mixes. "A greenhouse grower would never think of using a soil-based mix. I don't understand why he doesn't promote soilless mixes to his customers. Not only will the consumer experience far better results, the retailer earns more profit and pays less freight."

Weighing the importance of price

ASB disagrees that price is important to the consumer. To prove this point, it conducted an in-store test. Equal amounts of its Heidi brand soilless mix priced at $2.99 and a brand of soil priced at 99 cents were stacked side by side. At the end of the test period, equal amounts of each had been sold.

Similarly, proving that consumers buy what retailers stock, **Clinton Nursery Products,** Clinton, Conn., in introducing its new Soilite brand, conducted a product test in a supermarket, one place where price is more likely to be a factor. "We replaced one for one all bags of cheap dirt with the most expensive Soilite soilless mix, monitored sales over a like selling period, and found absolutely no reduction in unit sales as a result," says Peter Richards, vice president and owner.

This same level of unit sales meant more than twice as much in dollar sales and profit. As Richards points out, "If this kind of success can occur in a supermarket, think what kind of increased sales and profits a lawn and garden dealer, who has the opportunity to educate [consumers] and who uses soilless mixes himself, can garner from dumping the dirt and selling the soilless."

Joe Raffaele, president of **Plantation Products,** S. Easton, Mass., believes that if nothing else, freight ought to be incentive enough for the trade to skew its business toward the soilless. Raffaele does, however, see a trend toward more consumer awareness and sales of high quality mixes, at least in the northeast where he serves.

A.H. Hoffman, Landisville, Pa., is so committed to quality, light-weight soilless mixes, it is adding to its line one that contains a water/fertilizer retention polymer ideal for hanging baskets. "We have also repackaged our mix and amendment line to better communicate the features and benefits of these products," says Bill Dittman, sales and marketing director.

Purchases by U.S. households

	1987		1988	
	%	million	%	million
Top soil	17	11.9	18	12.5
Peat moss/ soil amendments	14	9.8	23	15.9

Source: National Gardening Assn./Gallup Organization

Companies like **Michigan Peat,** Houston, offer choices. "There are a couple of niches and we can fill them," says Ron Hurt, marketing manager. "Our Baccto brand is full line, and we have a 40 year track record of providing premium quality products to meet many market demands."

With by far the largest share of the potting soil market and 22 warehouses, **Hyponex,** Atlanta, presents the other side of the story. Its strength lies with the mass-merchant and supermarket trades where turns are high and profit is made through volume. The vast majority of Hyponex potting soil sales are in the heavy, low-priced top soil mixes. And creative promotions, advertising and cross-selling keep the sales momentum strong. "We not only want to be known as the leading brand, but a company who contributes to the growth of the entire category," says Dave Slaybaugh, manager of editorial communications. "There are many consumers who buy gardening products on price, and obviously, Hyponex serves that market well."

Consumer education is challenge

Educating the consumer on amendments (or conditioners) is another challenge. The predominant product is peat, which acts primarily as a water retention vehicle and provides aeration. Vermiculite has similar properties and can be used alone to start seeds. Perlite is used to aerate soil.

There are several classifications of peat, but peat moss is the preferred type for gardening, and Canadian sphagnum peat moss dominates the category. "Many consumers are not quite sure why they should amend Mother Nature's soil," says Steve Jarahian, general manager of **Fafard,** Anderson, S.C. "They've watched their parents do it, so they follow; but I think we all can increase sales through more education at store level."

This sentiment is shared by many of the potting soil companies cited above who also market amendments. As Grace's Tom Kramer points out, "If a consumer is not willing to pay for higher-priced soilless mixes, then at least she should compromise by buying a vermiculite to amend the soil she uses."

Southern Importers, Greensboro, N.C., and **Lambert Peat Moss,** Quebec, two leaders in peat moss sales, hope that improved packaging will generate excitement. The Canadian Sphagnum Peat Moss Assn. plans to embark on a publicity campaign in the United States to increase awareness of Canadian sphagnum peat moss and educate the consumer on its uses.

The retailer's role in sales

What can retailers do to spark sales? Consider Frank's Nursery's approach. It has hired a horticultural expert for each store to educate and promote. Even Wal-Mart has recognized the value of gardening education and is making this tool an important part of its merchandising.

The key message—cross-sell. Place a bag of perlite next to the top soil, or a bag of soilless mix next to a potted plant or a package of Jiffy-7s next to the seeds.

Don't be afraid of price, nor of change. Consumers will buy what you recommend. When it comes to potting soil, dark, dirty and heavy does not mean healthy plants—nor healthy margins. You don't need a calculator to figure that 40 percent of $2.99 enhances the bottom line a lot faster than 40 percent of 99 cents. Even if you're not successful in increasing unit sales, you're still much further ahead in dollar sales. So think pizzazz, punch, pep and profits! **—LGM**

Adele Rogers has spent more than half her career in the lawn and garden industry. She was marketing manager for Peters plant care products with W. R. Grace & Co. and vice president, U.S. operations for Safer Inc., where she mainstreamed natural pesticides. She has sat on several industry association boards and currently provides consultation services for manufacturers. She can be reached at (603) 382-5888.